

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1042 – HB 1054

April 10, 2013

SUMMARY OF ORIGINAL BILL: Authorizes the State Treasurer, Comptroller of the Treasury, the Commissioner of Finance and Administration, or the Secretary of State to change a staff member designation by notifying the chair of the Tennessee Housing Development Agency's (THDA) Board of Directors and Secretary of State's Office, in writing, prior to an agency meeting, in order to alert such entities that the designee will be attending.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENTS (005093, 006704): Amendment 005093 deletes all language after the enacting clause. Reduces the membership of the Tennessee Housing Development Agency's (THDA) Board of Directors, from 19 to 15 board members. Increase the membership of the Agency's Audit and Budget Committee by one member by including the State Treasurer. Authorizes the Audit and Budget Committee to employ, terminate, and establish the salary of the director of internal audit. Amendment 006704 authorizes any individuals as may be required by applicable federal law, regulation, or agreement, may become directors of THDA and shall be eligible to vote on matters before the agency to the extent required by federal law, regulation, or agreement. Removes language in current statute which requires the affirmative vote of nine members prior to the issuance of bonds or notes or the selection or appointment of an executive director or the issuance of a commitment for housing developments.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Decrease State Expenditures - \$3,800

Assumptions for the bill as amended:

- According to the THDA, reducing the number of members on the board of directors will result in a decrease in state expenditures due to decreased expense reimbursements.
- According to THDA, FY11-12 Board expenditures totaled \$18,279 or \$962 per member (\$18,279 / 19).
- It is estimated that reducing the board membership by four members will result in a decrease in state expenditures of \$3,848 (\$962 x 4).

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- According to the THDA, the addition of the Treasurer to the Audit and Budget Committee will result in no significant fiscal impact.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb